

ORDINANCE NO. _____

A SUPPLEMENTAL ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. 16416 OF THE CITY PROVIDING FOR THE ESTABLISHMENT OF AN ELECTRIC SYSTEM REVENUE DECOMMISSIONING FUND; AND TAKING OTHER ACTION IN CONNECTION WITH THE FOREGOING.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

Definitions and Statutory Authority

1 Section 1.01. Supplemental Ordinance; Authority; This Supplemental Ordinance
2 is supplemental to Ordinance No. 16416 of the City, and is adopted in accordance with
3 Section 5.02(e) and Article IX thereof.

4
5 Section 1.02. Definitions. (a) All terms which are defined in Section 1.01 of
6 Ordinance No. 16416 of the City shall have the same meanings, respectively, in this
7 Supplemental Ordinance as such terms are given in said Section 1.01 of Ordinance No.
8 16416, except as such terms may be otherwise defined herein.

9
10 (b) In this Supplemental Ordinance:

11
12 “Decommissioning Fund” means City of Lincoln, Electric System Revenue
13 Decommissioning Fund established pursuant to this Supplemental Ordinance.

“ Supplemental Ordinance” means this Supplemental Ordinance adopted by the Council of the City on February __, 2001.

“General Ordinance” means Ordinance No. 16416 of the City of Lincoln, Nebraska, passed by the Council on July 12, 1993 and approved by the Mayor on July 13, 1993.

ARTICLE II

Findings and Determinations

Section 2.01. In order to meet the demands for electric service in the area served by the City's Electric System in the past, currently and in the future, it has been, is now, and will, in the future, be necessary, desirable, and advisable that (a) certain acquisitions, constructions, reconstructions, improvements, extensions, equippings, and furnishings made for, to and of the Electric System, and (b) the City enter into certain agreements with owners and operators of electric generation and transmission facilities pursuant to which the City is entitled to a fixed share of the capacity of such generation and transmission facilities (the "Contracted Facilities"). Upon the removal from service of (i) certain portions of the Electric System and (ii) certain portions of the Contracted Facilities, the City may be required to pay certain costs to remove, store or dispose of such portions of the Electric System and the Contracted Facilities. It is in the best interests of the City, the Board, and the users of the Electric System that for the purposes of (1) providing for the payment of the costs of removing, storing, and disposing of such portions of the Electric

1 System and the Contracted Facilities without causing undue fluctuations in cash flow and
2 (2) minimizing the need for and amount of any adjustments to the rates, fees, and charges
3 for electric service required for the payment of such costs, it is necessary, desirable,
4 advisable and in the best interest of the City and the Board that the City of Lincoln,
5 Electric System Revenue Decommissioning Fund be established as provided by the General
6 Ordinance and by this Supplemental Ordinance.

7
8 Section 2.02. Adoption of General Ordinance. On July 12, 1993, the Council passed
9 the General Ordinance to serve as the basic bond ordinance for the issuance of revenue
10 bonds for the Electric System of the City, to set forth the conditions upon which such
11 electric revenue bonds shall be issued, and to provide for the establishment, maintenance,
12 revision, and collection of charges and rates for the use and services of the Electric System
13 and the application, collection and disbursement of the revenues derived therefrom. It is
14 necessary, desirable and advisable that the City establish an Electric System Revenue
15 Decommissioning Fund as provided by the General Ordinance, as supplemented by this
16 Supplemental Ordinance.

17 18 ARTICLE III 19

20 Establishment of Electric System Revenue Decommissioning Fund

21 Section 3.01. Decommissioning Fund. (a) Pursuant to the provisions of Section
22 5.02(e) and Article IX of the General Ordinance, there is hereby established with the City
23 the Decommissioning Fund.

(b) There shall be deposited on or before the last Business Day of each month into the Decommissioning Fund (i) the amount budgeted for credit to the Decommissioning Fund for the then current month as set forth in the current Annual Budget in accordance with the provisions of Section 5.04(a)(8) of the General Ordinance, (ii) such amounts as may be directed by the LES Administrative Board from time to time, and (iii) all other amounts directed to be deposited into the Decommissioning Fund pursuant to the provisions of the General Ordinance.

(c) Balances in the Decommissioning Fund shall be used to pay all or part of (i) the expenses incurred in removing portions of the Electric System from service and (ii) the costs of removing all or part of the Contracted Facilities from service for which the City is responsible for its pro rata share of such costs.

(d) If at any time the amounts credited to the Decommissioning Fund exceed the amounts then required to be held therein, the excess, if not needed for any of the purposes specified in Subsection 5.08(c), may be applied to or set aside solely for any lawful purpose of the Electric System not otherwise prohibited by the General Ordinance as amended and supplemented from time to time.

ARTICLE IV

Miscellaneous

Section 4.01. Headings, Table of Contents. The headings of sections of this Supplemental Ordinance, and any table of contents attached to copies hereof, are set forth therein or are attached to such copies solely for convenience of reference only and shall not

1 affect the construction or interpretation of this Supplemental Ordinance or of any section
2 hereof.

3
4 Section 4.02. Publication and Effectiveness of Ordinance. This Supplemental
5 Ordinance shall take effect and be in force after its enactment and publication one time
6 in a newspaper of general circulation in the City Lincoln, Nebraska, as provided by law.

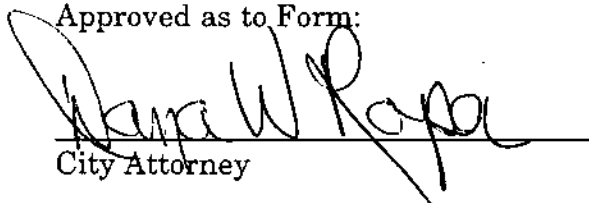
INTRODUCED BY:

PASSED February __, 2001

ABSENT OR NOT VOTING:

AYES: _____

Approved as to Form:



City Attorney

NAYES: _____

CONFLICT OF INTEREST:

APPROVED February __, 2001

Bond Counsel

Mayor